

## **LETTER TO SHAREHOLDERS DATED 10 JULY 2023**

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

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Letter.

If you have sold all your shares in the capital of GP Industries Limited, you should immediately inform the purchaser or the stockbroker, bank or the agent through whom you effected the sale for onward notification to the purchaser.



**GP Industries Limited**

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199502128C

## **LETTER TO SHAREHOLDERS DATED 10 JULY 2023**

**in relation to the proposed**

- (1) RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (2) RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

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## DEFINITIONS

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

<b>“AGM”</b>	:	Annual general meeting of the Company
<b>“Audit and Risk Committee”</b>	:	The audit and risk committee of the Company comprising Messrs Lim Ah Doo, Allan Choy Kam Wing, Lim Jiew Keng, Goh Boon Seong, Timothy Tong Wai Cheung and Christopher Lau Kwan for the time being
<b>“Board”</b>	:	The Board of Directors of the Company
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Company”</b>	:	GP Industries Limited
<b>“Companies Act”</b>	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
<b>“Constitution”</b>	:	The Constitution of the Company, as amended or modified from time to time
<b>“Directors”</b>	:	The directors of the Company
<b>“EGM”</b>	:	Extraordinary general meeting of the Company
<b>“Executive Directors”</b>	:	The Directors who are executives of the Company and are involved in its day-to-day operations, namely Messrs Victor Lo Chung Wing, Lam Hin Lap, Brian Li Yiu Cheung, Waltery Law Wang Chak and Grace Lo Kit Yee for the time being
<b>“Gold Peak”</b>	:	Gold Peak Technology Group Limited, a corporation incorporated and listed in Hong Kong Special Administrative Region of the People’s Republic of China and a Substantial Shareholder
<b>“Group”</b>	:	The Company, its subsidiaries and associated companies
<b>“Non-Executive Independent Directors”</b>	:	The Directors who are deemed independent in relation to the General Mandate for Interested Person Transactions, namely Messrs Lim Ah Doo, Allan Choy Kam Wing, Lim Jiew Keng, Goh Boon Seong, Timothy Tong Wai Cheung and Christopher Lau Kwan for the time being
<b>“Interested Persons”</b>	:	The interested persons of the Company who fall within the General Mandate for Interested Person Transactions, as set out in paragraph 4.1 of Appendix 2 to this Letter
<b>“Interested Person Transactions”</b>	:	The categories of transactions with Interested Persons which fall within the General Mandate for Interested Person Transactions, as set out in paragraph 4.2 of Appendix 2 to this Letter
<b>“Latest Practicable Date”</b>	:	30 June 2023, being the latest practicable date prior to the printing of this Letter
<b>“Letter”</b>	:	Letter to Shareholders dated on 10 July 2023

<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended or modified from time to time
<b>“NTA”</b>	:	Net tangible assets
<b>“SFA”</b>	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Registered holders of the Shares in the register of members of the Company or, where CDP is the registered holder, the term “Shareholders” shall in relation to such Shares mean the Depositors who have Shares entered against their names in the Depository Register
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“Substantial Shareholder”</b>	:	A person who has an interest in one or more voting Shares and the total votes attached to those Shares is not less than 5% of the total votes attached to all the voting Shares
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively
<b>“%”</b>	:	Per centum or percentage

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

The term **“subsidiary holdings”** are shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall include the feminine gender where the context admits. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference to a time of day in this Letter shall be a reference to Singapore time unless otherwise stated. Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual or any modification thereof and used in this Letter shall, where applicable, have the meaning ascribed to it under the Companies Act or the Listing Manual or such modification thereof, as the case may be, unless otherwise provided.

# GP INDUSTRIES LIMITED

(Incorporated in the Republic of Singapore)

Co. Reg. No. 199502128C

## Directors

### **Executive**

Victor Lo Chung Wing (Chairman and Chief Executive Officer)  
Lam Hin Lap (Vice Chairman and Executive Vice President)  
Brian Li Yiu Cheung (Executive Vice President)  
Waltery Law Wang Chak (Chief Financial Officer and Chief Risk Officer)  
Grace Lo Kit Yee

### **Non-Executive Independent**

Lim Ah Doo (Lead Independent Director)  
Allan Choy Kam Wing  
Lim Jiew Keng  
Goh Boon Seong  
Timothy Tong Wai Cheung  
Christopher Lau Kwan

## Registered Office

83 Clemenceau Avenue  
#14-01 UE Square  
Singapore 239920

10 July 2023

**To: The Shareholders of GP Industries Limited**

Dear Sir/Madam

## 1. INTRODUCTION

We refer to the Notice of AGM dated 10 July 2023 (the “**Notice of AGM**”), convening the AGM to be held on 25 July 2023 (the “**2023 AGM**”).

Item 8 appearing under the heading “Special Business” in the Notice of AGM is an Ordinary Resolution (“**Resolution 10**”) for the renewal of a general and unconditional mandate to be given for purchase or acquisition by the Company of its issued Shares (the “**Share Purchase Mandate**”).

Item 9 appearing under the heading “Special Business” in the Notice of AGM is an Ordinary Resolution (“**Resolution 11**”) for the renewal of a general mandate for interested person transactions (the “**IPT Mandate**”).

The purpose of this Letter is to provide Shareholders with the reasons for, and information relating to, and to seek their approval for, Resolutions 10 and 11 proposed in the Notice of AGM (collectively, the “**Proposals**”) at the 2023 AGM.

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

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Letter.

## 2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

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

At an EGM held on 19 November 1999, Shareholders had granted a general and unconditional mandate to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares, on the terms of that mandate (the “**1999 Mandate**”). At the previous AGM held on 29 July 2022

(the “**2022 AGM**”), Shareholders approved the renewal of the authority contained in the 1999 Mandate (the “**2022 Mandate**”). The 2022 Mandate will expire on 25 July 2023, being the date of the 2023 AGM. It is proposed that such authority be renewed.

Accordingly, Resolution 10 is to seek Shareholders’ approval at the 2023 AGM for a renewal of general and unconditional mandate to be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its Shares on the terms of such mandate. If approved at the 2023 AGM, the authority conferred by the Share Purchase Mandate will continue in force until the date the next AGM is held or is required by law to be held, whichever is earlier (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the date the next AGM is held or is required by law to be held, whichever is earlier).

As at the Latest Practicable Date, the Company had not made any purchases or acquisitions of its Shares pursuant to the 2022 Mandate.

The rationale for and further details of the proposed renewal of the Share Purchase Mandate is set out in Appendix 1 to this Letter.

### **3. THE PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

The Company had, at an EGM held on 27 August 2003, sought and obtained the approval of Shareholders for a general mandate (the “**IPT Mandate**”) to enable the Company, its subsidiaries and associated companies, or any of them, to enter into certain types of recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with the specified classes of persons who are considered to be “interested persons” for the purposes of Chapter 9 of the Listing Manual. The IPT Mandate is subject to annual renewal. The IPT Mandate was last renewed at the 2022 AGM and its validity period will expire at the 2023 AGM. It is proposed that the IPT Mandate be tabled to Shareholders for renewal and approval at the 2023 AGM.

The scope of the IPT Mandate, the classes of Interested Persons, the particulars of the Interested Person Transactions and the review procedures for Interested Person Transactions in respect of which the IPT Mandate is sought to be renewed remain unchanged since the renewal of the same at the 2022 AGM. The rationale for the proposed renewal of the IPT Mandate is set out in paragraph 1 of Appendix 2 to this Letter. Further details of the IPT Mandate, such as the review procedures implemented by the Company, its subsidiaries and associated companies to ensure that the mandated transactions with the specified classes of interested persons of the Company that are covered by the IPT Mandate are undertaken with such Interested Persons on an arm’s length basis and on normal commercial terms, are set out in Appendix 2 to this Letter.

#### 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders, the interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date were as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	%*	No. of Shares	%*
<b>Directors' Interests</b>				
Victor Lo Chung Wing <sup>(1)</sup>	300,000	0.06	414,098,443	85.59
Lam Hin Lap <sup>(2)</sup>	-	-	-	-
Brian Li Yiu Cheung <sup>(3)</sup>	1,465,000	0.30	-	-
Walter Law Wang Chak <sup>(4)</sup>	116,400	0.02	-	-
Grace Lo Kit Yee <sup>(5)</sup>	-	-	-	-
Lim Ah Doo	300,000	0.06	-	-
Allan Choy Kam Wing	-	-	-	-
Lim Jiew Keng	-	-	-	-
Goh Boon Seong	-	-	-	-
Timothy Tong Wai Cheung <sup>(6)</sup>	-	-	-	-
Christopher Lau Kwan <sup>(7)</sup>	-	-	-	-
<b>Substantial Shareholders' Interests</b>				
Gold Peak	414,098,443	85.59	-	-
Victor Lo Chung Wing <sup>(1)</sup>	300,000	0.06	414,098,443	85.59

\* The percentage of Shares held is based on the total number of issued Shares as at the Latest Practicable Date.

#### Notes:

- <sup>(1)</sup> Mr Victor Lo Chung Wing is the Chairman, Chief Executive and an executive director of Gold Peak. His deemed interest in 414,098,443 issued Shares arises pursuant to his interest in 242,941,685 shares in Gold Peak, representing 26.54% of the issued capital of Gold Peak, and Gold Peak's direct interest in 414,098,443 issued Shares.
- <sup>(2)</sup> Mr Lam Hin Lap is the Managing Director and an executive director of Gold Peak.
- <sup>(3)</sup> Mr Brian Li Yiu Cheung is the Vice Chairman, Executive Vice President and an executive director of Gold Peak, and is interested in 350,000 shares in Gold Peak, representing 0.04% of the issued capital of Gold Peak.
- <sup>(4)</sup> Mr Walter Law Wang Chak is an executive director and the Senior Vice President, Group Finance Management of Gold Peak.
- <sup>(5)</sup> Ms Grace Lo Kit Yee is the Deputy Managing Director of Gold Peak and is interested in 25,048 shares in Gold Peak, representing 0.003% of the issued capital of Gold Peak. Ms Grace Lo Kit Yee is the daughter of Mr Victor Lo Chung Wing.
- <sup>(6)</sup> Mr Timothy Tong Wai Cheung is an independent non-executive director of Gold Peak.
- <sup>(7)</sup> Mr Christopher Lau Kwan is interested in 3,394,652 shares in Gold Peak, representing 0.37% of the issued capital of Gold Peak.

Save as disclosed above and in this Letter, the Directors and the Substantial Shareholders do not have any interest, whether direct or indirect, in the IPT Mandate.

## 5. VOTING AT THE ANNUAL GENERAL MEETING

Gold Peak, a Substantial Shareholder and an Interested Person in relation to the proposed IPT Mandate, will abstain, and has undertaken to ensure that its associates (as defined in the Listing Manual), who are also Interested Persons, will abstain, from voting on Resolution 11 relating to the renewal of the IPT Mandate to be proposed at the 2023 AGM, in respect of any Shares respectively held by them. Gold Peak will also decline, and will procure its associates to decline, to accept appointment as proxy from any Shareholder to vote unless given specific instructions by the Shareholder as to how he wants his votes to be cast.

Mr Victor Lo Chung Wing, an Interested Person, has also undertaken to ensure that his associates (as defined in the Listing Manual), who are also Interested Persons, will abstain, from voting on Resolution 11, in respect of any Shares respectively held by them. Mr Victor Lo Chung Wing will also decline, and will procure his associates to decline, to accept appointment as proxy from any Shareholder to vote unless given specific instructions by the Shareholder as to how he wants his votes to be cast. The Directors who will, in this connection, abstain from voting by virtue of their directorship in Gold Peak and interest in Shares are Messrs Brian Li Yiu Cheung and Waltery Law Wang Chak. They will also decline to accept appointment as proxy for any Shareholder to vote unless given specific instructions by the Shareholder as to how he wants his votes to be cast.

## 6. DIRECTORS' RECOMMENDATIONS

**Proposed renewal of the Share Purchase Mandate** - The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company, and they accordingly recommend that Shareholders vote in favour of Resolution 10 at the 2023 AGM.

**Proposed renewal of the IPT Mandate** - The Non-Executive Independent Directors having considered, *inter alia*, the terms, the rationale and the benefits of the proposed renewal of the IPT Mandate, are of the view that the proposed renewal of the IPT Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 11 at the 2023 AGM.

## 7. STATEMENT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of the Company (the "**Audit and Risk Committee**") confirms that:

- (i) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 2022 AGM; and
- (ii) the methods or procedures referred to in sub-paragraph (i) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## 8. DIRECTORS' RESPONSIBILITY STATEMENT

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



## 9. DOCUMENTS FOR INSPECTION

The following documents may be inspected at the registered office of the Company at 83 Clemenceau Avenue, #14-01 UE Square, Singapore 239920 during normal business hours from the date hereof up to and including the date of the 2023 AGM:

- (i) the Constitution of the Company;
- (ii) the Annual Report of the Company for the financial year ended 31 March 2023;
- (iii) the 2022 Mandate; and
- (iv) Letters of Undertaking from (a) the Board of Directors of Gold Peak and (b) Mr Victor Lo Chung Wing in accordance with paragraph 5 of this Letter.

Yours faithfully  
For and on behalf of the Board of Directors of  
GP Industries Limited

**Victor Lo Chung Wing**  
Chairman and Chief Executive Officer

# Appendix 1

## The Proposed Renewal of the Share Purchase Mandate

### 1. RATIONALE FOR THE SHARE PURCHASE MANDATE

The Share Purchase Mandate will give the Directors the flexibility to purchase or acquire the Shares of the Company if and when circumstances permit. Share purchases or acquisitions provide the Company and its Directors with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. Share purchases or acquisitions also allow the Directors to exercise control and have greater flexibility over the Company's share capital structure and its dividend policy with a view to enhance the earnings per Share and/or net asset value per Share. The proposed Share Purchase Mandate will also give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued.

The purchase or acquisition of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the earnings per Share and/or net tangible asset value per Share.

If and when circumstances permit, the Directors will decide whether to effect the Share purchases or acquisitions via Market Purchases or Off-Market Purchases, after taking into account, among others, the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in paragraph 3.1 below, it should be noted that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised, and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company and the Group, or affect the listing status of the Company on SGX-ST.

### 2. SHARE CAPITAL OF THE COMPANY

The share capital of the Company comprises one class of shares, namely, ordinary shares. As at the Latest Practicable Date:

- (i) the Company had 521,358,482 fully-paid Shares in issue, of which 37,515,000 Shares were held by the Company as treasury shares;
- (ii) there were no subsidiary holdings;
- (iii) there was no outstanding (unexercised) rights to subscribe for any Shares; and
- (iv) no Shares was reserved for issue for any purpose.

### 3. THE RENEWAL OF THE SHARE PURCHASE MANDATE

#### 3.1 Terms of the Share Purchase Mandate

The terms of the Share Purchase Mandate are summarised below:

##### Maximum number of Shares

The total number of Shares that may be purchased or acquired under the Share Purchase Mandate shall not exceed 10% of the issued Shares of the Company as at 25 July 2023, the date of the 2023 AGM at which the Share Purchase Mandate is approved. Any Shares which are held as treasury shares and subsidiary holdings as at 25 July 2023 will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 483,843,482 Shares in issue, excluding treasury shares and subsidiary holdings, as at the Latest Practicable Date and assuming that (i) no further Shares are issued and (ii) no further Shares are purchased or acquired by the Company on or prior to the date of the 2023 AGM, not more than 48,384,348 Shares (representing 10% of the Shares in issue, excluding treasury shares and subsidiary holdings, as at that date) may be purchased or acquired by the Company pursuant to the renewed Share Purchase Mandate.

Duration of authority

The authority to purchase or acquire Shares under the Share Purchase Mandate shall continue up to the earlier of (i) the date on which the next AGM is held or is required by law to be held; (ii) the date it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the date on which the next AGM is held or is required by law to be held, whichever is earlier); or (iii) the date on which the Share Purchase Mandate is carried out to the full extent mandated.

Manner of purchase or acquisition

Shares may be purchased or acquired under the Share Purchase Mandate either:

- (i) by way of on-market purchases transacted on the SGX-ST or on another stock exchange on which the Company's equity securities are listed (the "**Market Purchases**"); or
- (ii) by way of an off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Companies Act (the "**Off-Market Purchases**").

Off-Market Purchases may be made on such terms and conditions not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as the Directors consider fit in the interests of the Company. The Companies Act requires an equal access scheme to satisfy all the following conditions:

- (i) offers under an equal access scheme must be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons must have a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers must be the same except that there shall be disregarded, where applicable, (a) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements; (b) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and (c) differences in the offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.

Additionally, pursuant to Rule 885 of the Listing Manual, if the Company wishes to make an Off-Market Purchases in accordance with an equal access scheme, it will 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 proposed share purchases;
- (iv) the consequences, if any, of share purchases by the Company that will arise under the Singapore Code on Take-overs and Mergers (the "**Take-over Code**") or any other applicable take-over rules;
- (v) whether the share purchases, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (vi) details of any share purchases made by the Company in the previous 12 months whether through Market Purchases or Off-Market Purchases, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases, where relevant, and the total consideration paid for such purchases; and

- (vii) whether the shares purchased by the Company will be cancelled or kept as treasury shares.

Maximum purchase or acquisition price

The purchase price (excluding brokerage, stamp duties (if applicable), commission, applicable goods and services tax and other related expenses (if applicable) (collectively “related expenses”) to be paid for a Share will be determined by the Directors. The maximum price to be paid for the Shares as determined by the Directors (the “**Maximum Price**”) must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (ii) in the case of an Off-Market Purchase, 110% above the Average Closing Price (as defined below) of the Shares.

For the purposes of determining the Maximum Price:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five consecutive market days, on which the Shares are transacted on SGX-ST, as the case may be, such stock 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 Listing Rules for any corporate action which occurs during the relevant five-day period and the day on which the purchase is made; and

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

### 3.2 Status of Purchased Shares

Shares which are purchased or acquired by the Company and which are not held by the Company as treasury shares will be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to the Shares will expire on cancellation. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

### 3.3 Treasury Shares

Under the Companies Act, the 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:

Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

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. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### Disposal and cancellation

Where Shares purchased or acquired by the Company 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 an employees' share scheme;
- (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.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**Usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares of the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares against the total number of issued Shares (of the same class as the treasury shares) which are listed on SGX-ST before and after the usage; and the value of the treasury shares of the usage.

### **3.4 Source of Funds**

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with its Constitution and applicable laws in Singapore. The Companies Act provides that purchases or acquisitions of Shares by the Company may be made out of capital, as well as from profits, so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

The Company intends to use internal and/or external sources of funds to finance its purchase or acquisition of Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the Group's working capital requirements, current dividend policy and ability to service its debts would be adversely affected.

### **3.5 Financial Effects**

The financial effects arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital or profits of the Company, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group based on the audited financial accounts of the Group for the financial year ended 31 March 2023 are based on the assumptions set out below.

#### 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 profits and/or capital 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. 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.

Maximum Price paid for Shares purchased or acquired

As at the Latest Practicable Date, the Company has 483,843,482 Shares in issue, excluding treasury shares and subsidiary holdings. The exercise in full of the Share Purchase Mandate will result in the purchase or acquisition of 48,384,348 Shares, representing 10% of the issued Shares, excluding treasury shares and subsidiary holdings.

Assuming that the Company purchases or acquires the 48,384,348 Shares on the Latest Practicable Date, at the Maximum Price, the maximum amount of funds required is:

- (i) in the case of Market Purchases, S\$31,933,670 based on S\$0.660 for each Share (being the highest price of not more than 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date); and
- (ii) in the case of an Off-Market Purchase, S\$33,385,200 based on S\$0.690 for each Share (being the highest price of not more than 10% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date).

Illustrative financial effects

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions (the “**Share Purchase**”) that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase price paid at the relevant time, whether the Shares purchased or acquired are cancelled or held in treasury and the manner in which the purchase or acquisition is funded.

However, for illustrative purposes only, based on the audited accounts of the Group and the Company for the financial year ended 31 March 2023, the assumptions stated above and assuming the purchases or acquisitions were funded solely by the Group’s cash and cash equivalents, the effects of such purchases or acquisitions on the financial position of the Group and the Company is set out below:

**Shareholders should note that the financial effects set out below, based on the respective afore-mentioned assumptions, are for illustrative purposes only. In particular, it is important to note that the illustration below is based on historical numbers for the financial year ended and as at 31 March 2023 and is not necessarily representative of future financial performance.**

	<u>The Group</u>		
	<u>Audited</u> <u>S\$’000</u>	<u>After</u> <u>Market</u> <u>Purchase</u> <u>S\$’000</u>	<u>After</u> <u>Off-Market</u> <u>Purchase</u> <u>S\$’000</u>
<b>As at 31 March 2023</b>			
Shareholders’ funds	416,136	384,202	382,751
NTA <sup>(1)</sup>	405,749	373,815	372,364
Current assets	643,798	611,864	610,413
Current liabilities	660,972	660,972	660,972
Total borrowings	502,358	502,358	502,358
Cash and cash equivalents	209,513	177,579	176,128
Number of issued and paid-up Shares <sup>(5)</sup>	483,843,482	435,459,134	435,459,134
<u>Financial ratios</u>			
NTA per Share (cents)	83.86	85.84	85.51
Gearing <sup>(2)</sup> (%)	120.72	130.75	131.25
Gearing (net of cash) <sup>(3)</sup> (%)	70.37	84.53	85.23
Current ratio <sup>(4)</sup> (times)	0.97	0.93	0.92

	<b>The Company</b>		
	<b>Audited S\$'000</b>	<b>After Market Purchase S\$'000</b>	<b>After Off-Market Purchase S\$'000</b>
<b>As at 31 March 2023</b>			
Shareholders' funds	329,550	297,616	296,165
NTA <sup>(1)</sup>	329,550	297,616	295,165
Current assets	66,213	66,213	66,213
Current liabilities	135,605	167,539	168,990
Total borrowings	172,051	172,051	172,051
Cash and cash equivalents	30,220	30,220	30,220
Number of issued and paid-up Shares <sup>(5)</sup>	483,843,482	435,459,134	435,459,134
<b>Financial ratios</b>			
NTA per Share (cents)	68.11	68.35	68.01
Gearing <sup>(2)</sup> (%)	52.21	57.81	58.09
Gearing (net of cash) <sup>(3)</sup> (%)	43.04	47.66	47.89
Current ratio <sup>(4)</sup> (times)	0.49	0.40	0.39

**Notes:**

- (1) NTA equals shareholders' funds less intangible assets.
- (2) Gearing equals total borrowings divided by shareholders' funds.
- (3) Gearing (net of cash) equals total borrowings less cash and cash equivalents divided by shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Excluding treasury shares and subsidiary holdings.

The illustrative financial effects for Share Purchase remain the same irrespective of whether the purchase or acquisition of the Shares are Market Purchase or Off-Market Purchase (a) effected out of capital or profits; and (b) held in treasury or cancelled.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of issued Shares. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, share market conditions and performance of the Shares) in assessing the relative impact of a share purchase before execution.

**3.6 Taxation**

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

**3.7 Listing Manual**

The Listing Manual provides that the price for the purchase of Shares by way of Market Purchases must not be more than 5% above the Average Closing Price as stated in paragraph 3.1 of this Appendix 1.

Reporting requirements

Rule 886(1) of the Listing Manual also specifies that the Company must report all purchases of its Shares to the SGX-ST not later than 9:00 a.m. (1) in the case of a Market Purchase, on the market day following the day of purchase of any of its Shares; and (2) in the case of an Off-Market Purchase, on the second market day after the close of acceptances of the offer. The announcement must include details of the total number of Shares purchased or acquired, and the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

*No purchase during price sensitive developments*

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price or trade sensitive development has occurred or has been the subject of a consideration and/or decision of the Directors until the price or trade sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period of one (1) month immediately preceding the announcement of the Company’s half-year and full-year financial statements, and ending on the date of announcement of the relevant results.

*Listing status on the SGX-ST*

The Listing Manual provides that the Company must ensure that at least 10% of a class of its listed securities is at all times held by the public. Under the Listing Manual, “public” is defined as persons other than the directors, chief executive officer, substantial shareholders, or controlling shareholders of the company or its subsidiaries, as well as the associates of such persons.

Under the Listing Manual, if the percentage of such securities held by public Shareholders falls below 10%, the Company must, as soon as practicable, announce that fact, and the SGX-ST may suspend trading of the class, or all the securities of the Company. The Listing Manual also provides that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of securities by public Shareholders to at least 10%. The Company may be removed from the list of issuers maintained by the SGX-ST in relation to the Main Board of the Singapore Exchange Limited if it fails to restore the percentage of securities by public Shareholders to at least 10% after the period.

As at the Latest Practicable Date, the percentage of issued Shares, excluding treasury shares and subsidiary holdings, held by public Shareholders is approximately 13.87%. A full 10% purchase of the issued Shares held by the public will therefore result in the percentage of issued Shares, excluding treasury shares and subsidiary holdings, held by public Shareholders falling to approximately 4.30%.

The Company will ensure that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate, without affecting the listing status of the Shares on SGX-ST, causing market illiquidity or affecting orderly trading of the Shares. As at the Latest Practicable Date, the Company had approximately 1,384 Shareholders.

**3.8 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 rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a Shareholder or group of Shareholders acting in concert obtaining or consolidating effective control (as defined in the Take-over Code), it may in certain circumstances give rise to an obligation on the part of such Shareholders to make a take-over offer under Rule 14 of the Take-over Code (“**Rule 14**”).

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 to the Take-over Code.

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer if, as a result of a purchase or acquisition of Shares by the Company:

- (i) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or



- (ii) if they together hold between 30% and 50% of the Company's voting rights, their voting rights are increased 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 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 Purchase Mandate.

Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over code presumes the following persons (*inter alia*) to be acting in concert with each other:

- (i) 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;
- (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, companies of which such companies are associated companies 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, all with each other;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of: (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and (ii) 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% or more of the client's equity share capital;
- (vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual and his/her controlled companies, his/her close relatives and their controlled companies, his/her related trusts and its controlled companies, any person who is accustomed to act in accordance with his/her instructions and their controlled companies 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, 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 interests of the Directors and the Substantial Shareholders as at the Latest Practicable Date are set out in paragraph 4 of this Letter.

The Company is a subsidiary of Gold Peak. Certain Directors, namely Messrs Victor Lo Chung Wing, Brian Li Yiu Cheung, Lam Hin Lap, Waltery Law Wang Chak and Timothy Tong Wai Cheung are also directors of Gold Peak (the “**Relevant Directors**”). As at the Latest Practicable Date, the collective interests of all the Relevant Directors in the issued Shares (excluding treasury shares and subsidiary holdings), excluding Mr Victor Lo Chung Wing’s deemed interest in the Company by virtue of his interest in Gold Peak, is approximately 0.39%.

Under the Take-over Code, unless the contrary is established, Relevant Directors would be presumed to be persons acting in concert with Gold Peak. As Gold Peak and the Relevant Directors presumed to be acting in concert with it collectively already hold more than 50% of the issued Shares, purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate will not result in the Directors (or any of them) and/or Gold Peak incurring an obligation to make a mandatory take-over offer under Rule 14 read with Appendix 2 of the Take-over Code.

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

**Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the Securities Industry Council before they purchase or acquire any Shares in the Company during the period when the Share Purchase Mandate is in force.**

## Appendix 2

### The Proposed Renewal of the General Mandate For Interested Person Transactions

#### 1. RATIONALE FOR THE PROPOSED RENEWAL OF THE IPT MANDATE

Due to the size of operations of the Group and the diversity of the Group's activities, it is envisaged that the Company, its subsidiaries and associated companies (other than (a) subsidiaries or associated companies which are themselves listed on the SGX-ST or an approved stock exchange, or (b) associated companies over which the Company and its subsidiaries and/or its interested person(s) have no control) which are considered to be "entities at risk" within the meaning of Chapter 9 of the Listing Manual (together, the "**EAR Group**"), or any of them, will, in the ordinary course of their businesses, continue to enter into Interested Person Transactions with Interested Persons (the details of which are set out in paragraph 4 of this Appendix 2 for mutual benefit. Such transactions are likely to occur with some degree of frequency, and could arise at any time. Thus, the IPT Mandate is intended to facilitate transactions in the normal course of business of the EAR Group falling within the categories of Interested Person Transactions as set out in Section 4.2 below that are transacted from time to time with its Interested Persons as specifically described in Section 4.1 below provided that they are carried out at arm's length and on the Group's normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Given that the Interested Person Transactions are expected to be recurrent transactions and may occur at any time, and to allow the EAR Group to undertake such transactions in a more expeditious manner, the Directors are seeking Shareholders' approval for the renewal of the IPT Mandate for the purposes of Chapter 9 of the Listing Manual and for the EAR Group to enter into the specified categories of transactions with certain classes of Interested Persons at the 2023 AGM.

#### 2. SCOPE OF THE IPT MANDATE

The IPT Mandate will cover a range of transactions arising in the normal course of business operations of the EAR Group, in particular, those relating to its principal business of manufacturing and marketing electronic and acoustic products and battery products.

The IPT Mandate will not cover any transaction by a company in the EAR Group with an Interested Person that is below S\$100,000 in value, as the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

Transactions by the EAR Group with the Interested Persons that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

#### 3. BENEFITS TO SHAREHOLDERS OF THE PROPOSED RENEWAL OF THE IPT MANDATE

Where the Interested Person Transactions relate to the purchase of products and receipt of services from the Interested Persons, the EAR Group will benefit from having access, where applicable, to competitive quotes from its Interested Persons, and may also derive savings in terms of cost efficiencies and greater economies of scale in its transactions with the Interested Persons. The sale of products and provision of services to the Interested Persons are also an additional source of revenue for the EAR Group, provided that such products and services are provided on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT Mandate and its renewal on an annual basis is intended to enhance the Group's ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings from time to time to seek Shareholders' approval as and when the need to enter a specified category of Interested Person Transaction with an Interested Person arises, thereby substantially reducing the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the EAR Group.

## 4. THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

### 4.1 Classes of Interested Persons

The IPT Mandate will apply to the Interested Person Transactions with the following classes of Interested Persons, namely:

- (i) Gold Peak and its associates; and
- (ii) Mr Victor Lo Chung Wing and his associates, including his brother, Mr Paul Lo Chung Wai.

### 4.2 Categories of Interested Person Transactions

The Interested Person Transactions entered into by the EAR Group with the Interested Persons which will be covered by the IPT Mandate and which will not include transactions in respect of the purchase or sale of assets, undertakings or business and the payment of licence fee for the use of intellectual properties (which are subject to the relevant provisions of Chapter 9 of the Listing Manual), are as follows:

- (i) the sale or supply and/or purchase of raw materials, sub-assemblies, semi-finished products, components and other products (such as, but are not limited to, speakers, home theatre systems and video panel frames) in connection with the EAR Group's principal business of manufacturing and marketing electronic and acoustic products and battery products; and
- (ii) the provision and/or obtaining of distribution, subcontracting, tooling and engineering services.

### 4.3 Review Procedures for Interested Person Transactions

**4.3.1** In general, the EAR Group has internal control procedures to ensure that all Interested Person Transactions (including transactions which are below S\$100,000 in value) are undertaken on normal commercial terms, are not prejudicial to the interests of the Company and its minority Shareholders, and consistent with the EAR Group's usual business practices and policies, which (in relation to products or services to be provided to an Interested Person) are no more favourable to the Interested Person than those extended to unrelated third parties, or (in relation to products or services to be obtained from an Interested Person) are no less favourable than those extended to the EAR Group by unrelated third parties.

In particular, the following review procedures have been established:

#### (a) Purchase of Products or Obtaining of Services

It is the EAR Group's established procedure that for each purchase, the purchasing department will obtain at least two quotations from unrelated vendors or suppliers for the same or substantially similar type of product or service as bases for comparison. A committee comprising the general manager, material manager and engineering manager of the relevant company of the EAR Group (all of whom have no interest, directly or indirectly, in the transaction) (the "**Purchasing Committee**") will compare these quotations with that provided by the Interested Person. In comparing the quotations, the Purchasing Committee will consider, where applicable, factors such as price (including any preferential rates, rebates or discounts accorded for bulk purchases or long-term contracts as well as the credit terms offered), quality of the product or service and the terms of delivery. Where it is impractical or not possible for unrelated third party quotations to be obtained (for instance, if there are no unrelated third party vendors or suppliers of similar products or services, or if the product or service is proprietary), the Purchase Committee will ensure that the price and terms of purchase are in accordance with industry norms, and/or will take into account, where relevant, factors such as, but are not limited to, track record, skill and specification compliance.

**(b) Sale of Products or Provision of Services**

- (i) It is the EAR Group's established procedure that for every sales transaction which involves either a new product or service, a new customer or a revision of terms and conditions, a price proposal form is to be jointly prepared by the engineering, material, marketing and finance departments of the relevant company of the EAR Group (the "**Sales Committee**"). The price proposal form includes information such as proposed sales price, projected costs and profit margin for the transaction. In determining the transaction price, the Sales Committee will refer to internal and external quotations for comparable products or services as reference for prevailing market rates or prices. The Sales Committee will take into account various factors including, where applicable, the type and volume of the product to be sold, the type and complexity of the service to be provided, the credit worthiness of the customers, the duration of the contract, the strategic purposes of the transaction, and the then prevailing business conditions. Where the prevailing market rates or prices are not available due to the nature of the product to be sold or the service to be provided (for instance, if there are no other purchasers or customers for similar products or services, or if the product or service is proprietary), the terms of supply will (where applicable) be in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin of the EAR Group for the same or substantially similar type of transaction. The price proposal form is then submitted for review and approval by the financial controller and general manager of the relevant business division of the EAR Group (both of whom have no interest, directly or indirectly, in the transaction).
- (ii) Every sales transaction which does not involve a new product or service, a new customer or a revision of terms and conditions will be priced based on the approved price proposal form for the same product or service. However, a revised price proposal form will be prepared if there are known significant changes in market conditions or internal cost structures. The internal cost structures are reviewed regularly or when the raw materials costs change materially. The general manager of the relevant business division of the EAR Group (who has no interest, directly or indirectly, in the transaction) will review and approve the sales transaction which does not involve a new product or service, a new customer or a revision of terms and conditions. During the review and approval process, he will also determine if there is a need for the preparation of a revised price proposal form.

**4.3.2** In addition to the review procedures set out in paragraph 4.3.1, the following additional review and approval procedures for Interested Person Transactions will be applied to ensure that significant Interested Person Transactions are undertaken on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders:

- (a) Interested Person Transactions, other than those with Gold Peak or its associates, equal to or exceeding S\$500,000 but less than S\$5,000,000 in value will be reviewed and approved by Mr Brian Li Yiu Cheung, an Executive Director, or in his absence, Mr Lam Hin Lap, an Executive Director (Mr Brian Li Yiu Cheung and Mr Lam Hin Lap have no material interest in the transaction);
- (b) Interested Person Transactions with Gold Peak or its associates equal to or exceeding S\$500,000 but less than S\$5,000,000 in value will be reviewed and approved by Mr Allan Choy Kam Wing, an Non-Executive Independent Director, or in his absence, any other Non-Executive Independent Director (Mr Allan Choy Kam Wing and such approving Non-Executive Independent Director have no material interest in the transaction); and
- (c) Interested Person Transactions equal to or exceeding S\$5,000,000 in value will be reviewed and approved by the Audit and Risk Committee.

Interested Person Transactions which need not have the prior approval of the Audit and Risk Committee will be reviewed on a quarterly basis by the Audit and Risk Committee.

- 4.3.3** The EAR Group records all Interested Person Transactions (and the basis on which they are entered into), including transactions which are below S\$100,000 in value, and reports to management of the Company on a monthly basis.

The Company shall, on a quarterly basis, report to the Audit and Risk Committee on all Interested Person Transactions (including transactions which are below S\$100,000 in value), and the basis of such transactions, entered into with Interested Persons during the preceding quarter. The Audit and Risk Committee shall review such Interested Person Transactions (including transactions which are below S\$100,000 in value) at its quarterly meetings except where such Interested Person Transactions are required under the review procedures to be approved by the Audit and Risk Committee prior to the entry thereof.

- 4.3.4** The Company's annual internal audit plan shall incorporate a review of all Interested Person Transactions, including the established review procedures for the monitoring of such Interested Person Transactions, entered into during the current financial year pursuant to the IPT Mandate.

The Audit and Risk Committee shall, in conjunction with its review of the Interested Person Transactions and the internal audit report, ascertain whether the established review procedures have been complied with. If, during its reviews, the Audit and Risk Committee is of the view that the review procedures as stated above are not sufficient or have become inappropriate, it will take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that the Interested Person Transactions will be on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, and the Company will revert to the Shareholders for a fresh IPT Mandate based on new review procedures for the Interested Person Transactions. In such a case, all Interested Person Transactions will be reviewed and approved by the Audit and Risk Committee prior to their entry while the fresh IPT Mandate is being sought from the Shareholders.

- 4.3.5** For the purposes of the above review and approval process, any Director who is not considered independent for purposes of the IPT Mandate and/or any Interested Person Transaction will abstain from voting in relation to any respective resolution, and/or abstain from participating in the Audit and Risk Committee's decision during its review of the established review procedures for the Interested Person Transactions or during its review or approval of any Interested Person Transaction.

## **5. EXPIRY AND RENEWAL OF THE IPT MANDATE**

If approved by Shareholders at the 2023 AGM, the IPT Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier, and will apply to Interested Person Transactions entered into from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each subsequent AGM, subject to review by the Audit and Risk Committee of its continued application to the Interested Person Transactions.

## **6. DISCLOSURE IN ANNUAL REPORT**

Pursuant to Chapter 9 of the Listing Manual, the Company will disclose in its annual report the aggregate value of the Interested Person Transactions conducted under the IPT Mandate during the financial year, and in the annual reports for the subsequent financial years during which the IPT Mandate is in force. In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the financial periods which it is required to report on (in accordance with Rule 705 of the Listing Manual) within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 907 of the Listing Manual.

## 7. DEFINITIONS OF MAIN TERMS UNDER THE LISTING MANUAL

### ***“Entity at Risk”***

The term “entity at risk” is defined to mean (a) the listed company, (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange or (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.

### ***“Interested Person”***

The term “interested person” is defined to mean, in the case of a company, a director, chief executive officer or controlling shareholder of the listed company, or an associate of any such director, chief executive officer or controlling shareholder. The SGX-ST may also deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into (i) a transaction with an entity at risk, and (ii) an agreement or arrangement with an interested person in connection with that transaction.

### ***“Interested Person Transaction”***

The term “interested person transaction” is defined to mean a transaction between an entity at risk and an interested person.

### ***“Associate”***

In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual), an “associate” is defined to be an immediate family (that is, spouse, child, adopted child, step-child, sibling and parent); 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 any company in which the individual and his immediate family together (directly or indirectly) have an interest of 30% or more.

In relation to a substantial shareholder or controlling shareholder (being a company), an “associate” is defined to be 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.

### ***“Associated Company”***

A listed company’s “associated company” is defined as a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.

### ***“Controlling Shareholder”***

A “controlling shareholder” of a listed company is a person who holds directly or indirectly 15% or more of the total voting rights in the listed company, or a person who in fact exercises control over the listed company.

### ***“Approved Exchange”***

An “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.

### ***“Chief Executive Officer”***

A “chief executive officer” is defined to mean the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.

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