

The purpose of this Addendum is to provide the Shareholders of the Company with relevant information relating to and to seek Shareholders' approval to renew the share purchase mandate.

This Addendum, the notice of annual general meeting, the proxy form and the annual report can be accessed at URLs <https://www.sgx.com/securities/company-announcements> and <https://bit.ly/WTHAGM2021>.

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 professional adviser immediately.

If you have sold or transferred all your shares in the capital of Wing Tai Holdings Limited, you should immediately forward this Addendum to the purchaser or to the bank, stockbroker or other agent through whom you effected the sale or the transfer, for onward transmission to the purchaser or the transferee.

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



**WING TAI HOLDINGS LIMITED**

(UEN: 196300239D)

(Incorporated in the Republic of Singapore)

## **ADDENDUM TO ANNUAL REPORT**

IN RELATION TO

## **THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

# WING TAI HOLDINGS LIMITED

(UEN: 196300239D)

(Incorporated in the Republic of Singapore)

## Directors:

Cheng Wai Keung (*Chairman / Managing Director*)  
Edmund Cheng Wai Wing (*Deputy Chairman / Deputy Managing Director*)  
Cheng Man Tak (*Non-Executive Director*)  
Paul Hon To Tong (*Lead Independent Director*)  
Christopher Lau Loke Sam (*Independent Director*)  
Guy Daniel Harvey-Samuel (*Independent Director*)  
Tan Sri Zulkurnain Bin Awang (*Independent Director*)  
Sim Beng Mei Mildred (Mildred Tan) (*Independent Director*)  
Eric Ang Teik Lim (*Independent Director*)  
Tan Hwee Bin (*Executive Director*)

## Registered Office:

3 Killiney Road  
#10-01 Winsland House I  
Singapore 239519

4 October 2021

## To: The Shareholders of Wing Tai Holdings Limited

Dear Sir/Madam

## ADDENDUM IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

### 1 INTRODUCTION

- 1.1 Wing Tai Holdings Limited (the “**Company**”) had on 4 October 2021 issued a notice (the “**Notice of the 57<sup>th</sup> AGM**”) convening the 57<sup>th</sup> annual general meeting (the “**57<sup>th</sup> AGM**”) of the shareholders of the Company (the “**Shareholders**”) to be held on 26 October 2021. The proposed resolution number 10 in the Notice of the 57<sup>th</sup> AGM relates to the renewal of a share purchase mandate (the “**Share Purchase Mandate**”) to authorise the directors of the Company (the “**Directors**”) to make purchases of ordinary shares in the capital of the Company (“**Shares**”) representing up to a maximum of ten per cent. (10%) of the issued Shares (excluding treasury shares and subsidiary holdings) as at the date on which the resolution authorising the same is passed, at a price of up to but not exceeding the Maximum Price (as defined in Paragraph 3.2 below).

The purchase or acquisition of Shares by the Company will be made in accordance with the Constitution of the Company currently in force (the “**Constitution**”), the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)(the “**Listing Manual**”), the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and such other laws and regulations as may for the time being be applicable.

- 1.2 The Constitution expressly permits the Company to purchase or otherwise acquire Shares issued by it. At the AGM held on 28 October 2020 (the “**2020 AGM**”), Shareholders renewed the Share Purchase Mandate. The Share Purchase Mandate renewed at the 2020 AGM will expire on the date of the forthcoming 57<sup>th</sup> AGM to be held on 26 October 2021. If the proposed resolution for the renewal of the Share Purchase Mandate is approved at the 57<sup>th</sup> AGM, the mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier.

1.3 The purpose of this Addendum is to provide information relating to and to explain the rationale for the proposed renewal of the Share Purchase Mandate.

1.4 The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Addendum. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

## **2 RATIONALE**

2.1 The proposed renewal of the Share Purchase Mandate will continue to give the Directors the flexibility to purchase Shares when circumstances permit, with the objective of enhancing the earnings per Share ("**EPS**") of the Company and its subsidiaries (the "**Group**"). Such flexibility will also allow the Directors to better manage the Company's capital structure, dividend payout and cash reserves, and to return surplus cash over and above its capital requirements in an expedient and cost-effective manner.

2.2 The proposed renewal of the Share Purchase Mandate will thus continue to provide the Company with an efficient mechanism to enhance returns to Shareholders when circumstances permit. Share purchases will only be effected when the Directors are of the view that it will benefit the Company and its Shareholders. Shareholders should note that share purchases pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised. No share purchase will be made in circumstances which the Directors believe would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST.

## **3 AUTHORITY AND LIMITS OF THE SHARE PURCHASE MANDATE**

### **3.1 Manner of Purchase or Acquisition of Shares**

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

- (i) on-market purchase ("**Market Purchase**"), transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (ii) an off-market purchase (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme defined in Section 76C of the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST ("**Off-Market Purchase**").

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

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded:

- (1) differences in consideration attributable to the fact that such offers relate to Shares with different accrued dividend entitlements;
- (2) differences in consideration attributable to the fact that such offers relate to Shares with different amounts remaining unpaid (if applicable); and
- (3) differences in such offers introduced solely to ensure that each person will be left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptance;
- (cc) the reasons for the proposed purchase or acquisition of Shares by the Company;
- (dd) the consequences, if any, of the purchase or acquisition of Shares by the Company that will arise under the Singapore Code on Take-overs and Mergers ("**Take-over Code**") or other applicable takeover rules;
- (ee) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (ff) details of any purchase or acquisition of Shares made by the Company in the previous twelve (12) months (whether through a Market Purchase or Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchase or acquisition of Shares, where relevant, and the total consideration paid for such purchase or acquisition; and
- (gg) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

### 3.2 Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares, excluding related expenses of the purchase or acquisition, must not exceed the maximum price ("**Maximum Price**") which is:

- (i) in the case of a Market Purchase, five per cent. (5%) above the average closing market prices of the Shares over the five (5) days on which the SGX-ST is open for securities trading ("**Market Days**") and on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made; and
- (ii) in the case of an Off-Market Purchase, twenty per cent. (20%) above the average closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the announcement of an offer is made.

### 3.3 Duration of Authority

Purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate may be made at any time from time to time on and from the date of the 57<sup>th</sup> AGM at which the Share Purchase Mandate is approved up to the earliest of:

- (i) the date on which the next AGM is held or is required by law to be held;
- (ii) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting.

### 3.4 Maximum Number of Share which can be Purchased or Acquired

Only Shares which are issued and fully paid-up may be repurchased by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) ascertained as at the date of the passing of the ordinary resolution, unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Companies Act at any time during the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Purchase Mandate is passed (the “**Relevant Period**”), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. Any Shares which are held as treasury shares and any subsidiary holdings will be disregarded for purposes of computing the ten per cent. (10%) limit. As at 6 September 2021, being the latest practicable date prior to the publication of this Addendum (the “**Latest Practicable Date**”), the Company is holding 24,544,700 treasury shares and does not have subsidiary holdings.

#### For illustration purposes only

On the basis of 769,382,560 Shares (excluding treasury shares and subsidiary holdings) issued as at the Latest Practicable Date, assuming no further Shares are issued, and the Company does not reduce its share capital, on or prior to the 57<sup>th</sup> AGM, not more than 76,938,256 Shares (representing ten per cent. (10%) of the total number of issued Shares of the Company as at the date of the 57<sup>th</sup> AGM excluding treasury shares and subsidiary holdings) may be purchased by the Company pursuant to the proposed Share Purchase Mandate during the Relevant Period.

### 3.5 Status of Purchased Shares under the Share Purchase Mandate

#### 3.5.1 Cancellation

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 Shares are held by the Company as treasury shares to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

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

### 3.5.2 Treasury Shares

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

(i) *Maximum Holdings*

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. The Company shall be entered in the Register of Members or the Depository Register, as the case may be, as the member holding those Shares. In the event that the Company holds more than ten per cent. (10%) of the total number of issued Shares as treasury shares, the Company shall dispose of or cancel the excess treasury shares in the manner set out under Paragraph 3.5.2(iii) below within six (6) months beginning with the day on which that contravention occurs, or such further period as the Registrar of Companies appointed under the Companies Act may allow.

(ii) *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 greater or smaller number is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) *Disposal and Cancellation*

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

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

#### 4 SOURCE OF FUNDS

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

The Company may purchase or acquire its Shares out of the Company's capital or profits so long as the Company is solvent. Pursuant to Section 76F(4) of the Companies Act, the Company is solvent if:

- (i) there is no ground on which the Company could be found to be unable to pay its debts;
- (ii) (a) it is intended to commence winding up of the Company within the period of twelve (12) months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or (b) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (iii) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

When Shares are purchased or acquired, and cancelled:

- (aa) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**");
- (bb) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price; or
- (cc) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

Apart from using its internal sources of funds, the Company may obtain or incur borrowings 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 it would have a material and adverse effect on the working capital requirements or the gearing of the Company.

## 5 FINANCIAL EFFECTS

Under the Companies Act, the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration 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. The net tangible assets ("**NTA**") of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

As at the Latest Practicable Date, the issued and paid-up capital of the Company (excluding treasury shares and subsidiary holdings) comprises 769,382,560 Shares. The exercise in full of the Share Purchase Mandate would result in the purchase of 76,938,256 Shares.

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

The illustrative financial effects below remain the same irrespective of whether:

- (i) the purchase of Shares are effected out of capital or profits; or
- (ii) the purchased Shares are held in treasury or are cancelled.

### Illustration

For illustration purposes only and based on the following assumptions:

- (i) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 76,938,256 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$1.926 which is five per cent. (5%) above the average closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$148,183,000; or
- (ii) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 76,938,256 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$2.201 which is twenty per cent. (20%) above the average closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$169,341,000,

the financial effects of the purchase or acquisition of 76,938,256 Shares by the Company pursuant to the Share Purchase Mandate, on the audited financial statements of the Company and the Group for the financial year ended 30 June 2021, are set out below:



	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Market Purchase	Off-Market Purchase		Market Purchase	Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>As at 30 June 2021</u></b>						
Equity Attributable to Equity Holders of the Company:						
- Ordinary Shareholders	3,186,714	3,038,531	3,017,373	1,112,276	964,093	942,935
- Perpetual Security Holders	296,375	296,375	296,375	296,375	296,375	296,375
	3,483,089	3,334,906	3,313,748	1,408,651	1,260,468	1,239,310
Net Tangible Assets	3,186,714	3,038,531	3,017,373	1,112,276	964,093	942,935
Current Assets	1,812,822	1,664,639	1,643,481	784,732	636,549	615,391
Current Liabilities	298,851	298,851	298,851	106,049	106,049	106,049
Cash and Cash Equivalents <sup>(1)</sup>	772,964	624,781	603,623	515,088	366,905	345,747
Total Borrowings <sup>(2)</sup>	726,088	726,088	726,088	507,561	507,561	507,561
Net Profit Attributable to Equity Holders of the Company:						
- Ordinary Shareholders	30,728	30,728	30,728	23,082	23,082	23,082
- Perpetual Security Holders	12,840	12,840	12,840	12,840	12,840	12,840
	43,568	43,568	43,568	35,922	35,922	35,922
Number of Shares ('000)	769,383	692,445	692,445	769,383	692,445	692,445
Weighted Average Number of Shares ('000)	770,108	693,170	693,170	770,108	693,170	693,170
<b><u>Financial Ratios</u></b>						
Net Tangible Assets per Share (S\$)	4.14	4.39	4.36	1.45	1.39	1.36
Net Gearing (times) <sup>(3)</sup>	(0.01)	0.03	0.04	(0.01)	0.11	0.13
Earnings per Share (cents) <sup>(4)</sup>	3.99	4.43	4.43	3.00	3.33	3.33

**Notes:**

- (1) Assuming the Company uses cash to fund the purchase of shares.
- (2) "Total Borrowings" means the amount of liabilities arising from borrowings from banks and other financial institutions.
- (3) Net Gearing equals Total Borrowings less Cash and Cash Equivalents divided by Equity Attributable to Equity Holders of the Company.
- (4) Earnings per Share ("EPS") equals Net Profit Attributable to Ordinary Shareholders of the Company divided by Weighted Average Number of Shares.
- (5) As illustrated above, the share purchases will:
  - (i) increase the Net Tangible Assets per Share of the Group;
  - (ii) increase the Net Gearing of the Group; and
  - (iii) increase the EPS of the Group.

The actual impact will depend on the number and price of the Shares bought back. As aforementioned, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company. The purchase of Shares will only be effected after assessing the relative impact of a share buyback taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

**Shareholders should note that the financial effects illustrated above are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for the year ended 30 June 2021, and is not necessarily representative of the future financial performance of the Company or the Group.**

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel, or hold as treasury shares, all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution. For the avoidance of doubt, the Company will not carry out any share buyback to the full ten per cent. (10%) limit as authorised and will not effect any share buyback if the Directors consider it not to be in the best interests of the Company and/or the Shareholders, in circumstances which they believe will result in any material adverse effect on the financial position of the Company or the Group, or will result in the Company being delisted from the SGX-ST.

## **6 TAXATION**

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

## **7 REPORTING REQUIREMENTS**

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority ("ACRA").

Within 30 days of a purchase of Shares on the Official List of SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including *inter alia*, date of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase of 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 in the form prescribed under the Listing Manual, shall include 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 after purchase, the number of treasury shares held after the purchase, the number of subsidiary holdings after purchase and any other details that the SGX-ST may prescribe.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, 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 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. Further, in conformity with the best practices on dealing with securities under the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing one month before the announcement of the Company's half-year and full-year financial statements.

## **8 TAKE-OVER IMPLICATIONS ARISING FROM SHARE PURCHASES**

8.1 Appendix 2 of the Take-over Code contains the share buyback guidance note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out in Paragraph 8.6 below.

### **8.2 Obligation to make a Take-over Offer**

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

8.3 In addition, if a Shareholder acquires Shares after the purchase or acquisition by the Company of its Shares, the increase in the percentage of voting rights as a result of the purchase or acquisition will be taken into account in determining whether the Shareholder and persons acting in concert with him have increased their voting rights by more than one per cent. (1%) in any period of six (6) months for the purposes of Rule 14.

### **8.4 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 following persons will be presumed to be acting in concert with each other under the Take-over Code:

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of its directors, their close relatives and related trusts); and

- (ii) a company with its parent, subsidiaries and fellow subsidiaries, and their associated companies, and 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 foregoing companies for the purchase of voting rights, all with one another. For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of a company will be regarded as the test of associated company status.

8.5 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 Rule 14 and Appendix 2 of the Take-over Code.

## 8.6 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 under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or in the event that such Directors and their concert parties hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded. When the concert party group holds over 50% of the Company's voting rights, no obligation to make a mandatory general offer under Rule 14 normally arises from acquisitions by any member of the concert party group.

## 9 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 9.1 INTERESTS OF DIRECTORS

Based on the register of Directors' shareholdings of the Company maintained pursuant to Section 164 of the Companies Act, as at the Latest Practicable Date, the shareholdings of the Directors of the Company before and after the purchase of Shares (assuming (i) the Company purchases 76,938,256 Shares, being the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date, and (ii) there is no change in the number of Shares held or deemed to be held by the Directors) were/will be as follows:

<u>Name</u>	<b>Before Share Purchase (No. of Shares)</b>			<b>Before Share Purchase (%)</b>	<b>After Share Purchase (%)</b>
	<b><u>Direct interest</u></b>	<b><u>Deemed interest</u></b>	<b><u>Total interest</u></b>		
Cheng Wai Keung	214,400	462,783,459	462,997,859	60.18	66.86
Edmund Cheng Wai Wing	-	385,766,467	385,766,467	50.14	55.71
Cheng Man Tak	-	-	-	-	-
Paul Hon To Tong	-	-	-	-	-
Christopher Lau Loke Sam	-	-	-	-	-
Guy Daniel Harvey- Samuel	-	-	-	-	-
Tan Sri Zulkurnain Bin Awang	-	-	-	-	-
Sim Beng Mei Mildred (Mildred Tan)	-	-	-	-	-
Eric Ang Teik Lim	-	-	-	-	-
Tan Hwee Bin	2,273,935	-	2,273,935	0.30	0.33
<b><u>Performance Share Plan*</u></b>					
Tan Hwee Bin	331,500	-	331,500	0.04	0.05
<b><u>Restricted Share Plan</u></b>					
Tan Hwee Bin	73,000	-	73,000	0.01	0.01

\*Shares awarded are contingent upon achievement of threshold targets.

## 9.2 INTERESTS OF SUBSTANTIAL SHAREHOLDERS

Based on the register of substantial Shareholders of the Company maintained pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date, the shareholdings of the substantial Shareholders of the Company (the “**Substantial Shareholders**”) before and after the purchase of Shares (assuming (i) the Company purchases 76,938,256 Shares, being the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date, and (ii) there is no change in the number of Shares held or deemed to be held by the Substantial Shareholders) were/will be as follows:

<u>Name</u>	Before Share Purchase (No. of Shares)			Before Share Purchase (%)	After Share Purchase (%)
	<u>Direct interest</u>	<u>Deemed interest</u>	<u>Total interest</u>		
Cheng Wai Keung	214,400	462,783,459	462,997,859	60.18	66.86
Edmund Cheng Wai Wing	-	385,766,467	385,766,467	50.14	55.71
Christopher Cheng Wai Chee	134,750	385,766,467	385,901,217	50.16	55.73
Edward Cheng Wai Sun	-	385,766,467	385,766,467	50.14	55.71
Edgar Cheng Wai-Kin	-	385,766,467	385,766,467	50.14	55.71
Butterfield Fiduciary Services (Cayman) Limited	-	385,766,467	385,766,467	50.14	55.71
Butterfield Fiduciary Services (Guernsey) Limited	-	385,766,467	385,766,467	50.14	55.71
Wing Sun Development Private Limited	222,235,490	-	222,235,490	28.88	32.09
Empire Gate Holdings Limited	87,284,375	3,529,166	90,813,541	11.80	13.11
Wing Tai Asia Holdings Limited	-	313,049,031	313,049,031	40.69	45.21
Winlyn Investment Pte Ltd	72,717,436	-	72,717,436	9.45	10.50
Terebene Holdings Inc	-	72,717,436	72,717,436	9.45	10.50
Metro Champion Limited	-	72,717,436	72,717,436	9.45	10.50
Ascend Capital Limited	68,207,092	-	68,207,092	8.87	9.85
FMR LLC	-	38,481,210	38,481,210	5.00	5.56
Abigail P. Johnson	-	38,481,210	38,481,210	5.00	5.56

9.3 Mr Cheng Wai Keung, Mr Edmund Cheng Wai Wing, Mr Christopher Cheng Wai Chee, Mr Edward Cheng Wai Sun and Dr Edgar Cheng Wai-Kin are brothers whose aggregate effective interest is 60.20%. Under the Take-over Code, all of them are presumed to be acting in concert as they are close relatives.

Mr Cheng Wai Keung's 60.18% interest in the issued share capital of the Company is held through Ascend Capital Limited, Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd, Empire Gate Holdings Limited and Wilma Enterprises Limited.

Mr Edmund Cheng Wai Wing's 50.14% interest in the issued share capital of the Company is held through Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd and Empire Gate Holdings Limited.

Mr Christopher Cheng Wai Chee's 50.16% interest in the issued share capital of the Company is held through Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd and Empire Gate Holdings Limited.

Mr Edward Cheng Wai Sun's 50.14% interest in the issued share capital of the Company is held through Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd and Empire Gate Holdings Limited.

Dr Edgar Cheng Wai-Kin's 50.14% interest in the issued share capital of the Company is held through Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd and Empire Gate Holdings Limited.

- 9.4 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 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months.

As at the Latest Practicable Date, based on the Directors' and Substantial Shareholders' interests in Shares set out in Paragraphs 9.1 and 9.2 above, none of the Directors or Substantial Shareholders (together with persons acting in concert with them) are expected to become obligated to make a mandatory take-over offer pursuant to the exercise of the powers to purchase Shares under the Share Purchase Mandate.

**Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases by the Company.**

## **10 LISTING STATUS OF SHARES ON SGX-ST**

- 10.1 The Directors will use their best efforts to ensure that the Company does not effect a purchase of Shares if the purchase of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the orderly trading or listing status of the Company.
- 10.2 As at the Latest Practicable Date, approximately 34.31% of the issued Shares are held by the public. For illustration purposes only, assuming that the Company purchases from the public the maximum number of ten per cent. (10%) of the issued Shares as at the Latest Practicable Date, the number of Shares held by the public after the purchase of such Shares would be 187,070,800 representing approximately 27.02% of the remaining issued Shares of the Company. Before deciding to effect a purchase of Shares, the Directors will also consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake Share purchases through Market Purchases up to the full ten per cent. (10%) limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

## **11 SHARE PURCHASE DURING THE PREVIOUS 12 MONTHS**

As at the Latest Practicable Date, the Company had purchased or acquired 1,117,000 Shares by way of Market Purchase pursuant to the Share Purchase Mandate approved by the Shareholders at the 2020 AGM. The highest and lowest price paid was S\$1.79515 and S\$1.74779 per Share respectively. The total consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) paid for all the purchases was S\$1,974,161.75.

## **12 LIMITS ON SHAREHOLDINGS**

The Constitution of the Company does not have any limits on the shareholding of any Shareholder.

## **13 DIRECTORS' RECOMMENDATION**

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 10, being the Ordinary Resolution relating to the renewal of the Share Purchase Mandate to be proposed at the 57<sup>th</sup> AGM as set out in the Notice of the 57<sup>th</sup> AGM.

## **14 DIRECTORS' RESPONSIBILITY STATEMENT**

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

## **15 DOCUMENTS FOR INSPECTION**

Subject to the prevailing laws and guidelines relating to safe distancing measures, the Constitution of the Company and the 2021 Annual Report are available for inspection at the registered office of the Company at 3 Killiney Road, #10-01 Winsland House I, Singapore 239519 during normal business hours from the date hereof up to the date of the 57<sup>th</sup> AGM. The 2021 Annual Report can also be accessed at URLs <https://www.sgx.com/securities/company-announcements> and <https://bit.ly/WTHAGM2021>.

Yours faithfully  
For and on behalf of  
the Board of Directors of  
**WING TAI HOLDINGS LIMITED**

Cheng Wai Keung  
Chairman